

STATE OF HAWAII
NOTICE OF AND REQUEST FOR EXEMPTION
FROM CHAPTER 103F, HRS

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ADMINISTRATION
STATE PROCUREMENT OFFICE
STATE OF HAWAII

To: Chief Procurement Officer

From: Department of Health (DOH)/Office of Program Improvement and Excellence/
Adult Mental Health Division *67*
Department/Division/Branch or Office

Pursuant to § 103F-101(a)(4), HRS, and Chapter 3-141, HAR, the Department requests a procurement exemption to purchase the following:

1. Title and description of health and human service(s): PRIMARY CARE AND BEHAVIORAL HEALTH INTEGRATION PROJECT: The DOH, Office of Program Improvement and Excellence (OPIE) and the Adult Mental Health Division (AMHD) seeks to continue the implementation of the pilot project within two state operated Community Mental Health Centers (Kalihi Palama CMHC and Central Oahu CMHC) to provide integrated behavioral health and primary care health services to AMHD-eligible consumers. These consumers are currently receiving behavioral health services within those CMHCs. The target population is severely mentally ill clients determined to be at high risk for five co-morbid chronic medical conditions (diabetes, obesity, high blood pressure, hyperlipidemia, and tobacco dependence). Integrated services are provided within the CMHCs, utilizing a collaborative team comprised of state-employed CMHC behavioral health staff and primary care staff employed by the provider. No monies will be exchanged between DOH and the provider. The DOH provides rent-free to the provider, one examination room and one physician office located within each of the two CMHCs, to include running water for a handwashing sink, electricity, phone, fax and internet utilities within those rooms to be used only for the services included in this pilot for the duration of the project. The DOH will not reimburse the provider for any services provided within the CMHCs. Instead, the provider is expected to financially sustain their services through direct billing of the primary care services to the enrollees' applicable health insurance plans or the use of other funding sources obtained by that agency.	
2. Provider Name and Address:	Kalihi-Palama Health Center 915 N. King Street Honolulu, Hawaii 96817
3. Total Contract Funds: Contract Funds per Year (if applicable):	\$0
4. Reference number of Previous Request for this Service (if applicable):	PEH No. 13-24
5. Term of Contract:	Start: 9/01/14 End: 12/31/14

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6. Describe how procurement by competitive means is either not practicable or not advantageous to the State:

Due to the limited time period requested, it would not be advantageous to the State to competitively procure this service, since the provider has been providing these services for the past year and it would take almost three months to contract with a new provider. Also, this provider's close proximity to the client base being served is essential, since many consumers do not have the means to travel to other areas on the island for routine care that would be required, but not offered at the CMHC setting.

7. Describe the reason for the selection of the provider including a description of how the procedure ensured the maximum fair and open competition practicable:

The DOH reviewed the demographics and geographic catchment areas of the two pilot CMHCs, the range and complexity of services to be provided, the number and type of primary care staff that would be required to implement the "health home" model, AMHD's contracted provider standards/qualifications, the timeframe for the pilot project, and the health insurance status of the CMHCs' consumers in order to develop a list of provider qualifications to participate in the project. The DOH determined that a private non-profit Federally Qualified Health Center (FQHC) was the only type of provider that would meet all of the project requirements. The Kalihi-Palama Health Center (KPHC) was the only FQHC to meet all of the provider requirements.

At DOH's request, Hawaii Primary Care Association (HPCA) ran the Uniform Data System mapping software and determined that two FQHCS operate primarily in the two CMHCs' catchment areas. They are Kalihi Kokua Valley Health Center (KKV) and Kalihi Palama Health Center (KPHC). However, KPHC serves the entire catchment area, whereas KKV serves only a very defined section of the catchment area. Additionally, KPHC is nationally accredited; KKV is not accredited. Given the timeframe and length of the pilot, it would not be possible for KKV to become accredited before the end of the pilot as the accreditation process takes a minimum of 18 months from initial preparation to accreditation. There are 4 FQHCs currently using the Patient Centered Medical Home model (KPHC, Waimanalo, Waianae and West Hawaii). All but KPHC are too distant from Kalihi Palama CMHC and Central Oahu CMHC to be viable primary care providers for this pilot. The only other large primary care provider located in the specified geographic area that meets at least some of the requisite qualifications is Kaiser Permanente. However, Kaiser only accepts patients with Kaiser health insurance. AMHD CMHC consumers do not have Kaiser insurance; therefore, they are not eligible to receive primary care services from Kaiser.

8. Describe the state agency's internal controls and approval requirements for the exempted procurement:

Service and administrative requirements for the procurement shall be monitored through OPIE's regular oversight and monitoring procedures.

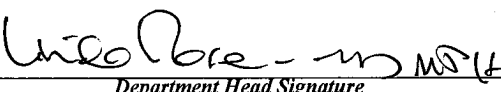
9. List the state agency personnel, by position title, who will be involved in the approval process and administration of the contract:

Lynn Fallin, Deputy Director for Behavioral Health
Karen Krahn, Operations Oversight Administrator, OPIE
Amy Yamaguchi, Public Health Administrative Office (PHAO), OPIE

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10. Direct questions to (name & position):	Amy Yamaguchi, PHAO
Phone number:	586-4682
e-mail address:	amy.yamaguchi@doh.hawaii.gov

I certify that the information provided above is to the best of my knowledge true and correct.



Department Head Signature

7-31-14

Date

Linda Rosen, M.D., M.P.H.

Typed Name

NOTICE

The chief procurement officer is considering this request for exemption and, if there is good cause, the state intends to exempt the purchase as described in the request. Any inquiries regarding the purchase shall be directed to the contact person noted in item 10 of the request. Any concerns regarding the exemption shall be in writing and received by the chief procurement officer within seven days of the date the notice was first posted. Concerns shall be mailed to: Aaron Fujioka, Chief Procurement Officer, State Procurement Office, 1151 Punchbowl St., #230A, Honolulu, HI 96813.

FOR CHIEF PROCUREMENT OFFICER USE ONLY

Chief Procurement Officer's Comments:

It is understood that the DOH will be competitively procuring the services, which is scheduled to commence on 1/1/15. This approval is for the period 9/1/14 to 12/31/14 and for procurement process only. Service provider is required to be compliant with applicable laws, and verified on the Hawaii Compliance Express, if applicable. This award is required to be posted on the Awards Reporting System. If there are any questions, please contact Corinne Higa at 587-4706, or corinne.y.higa@hawaii.gov.

☒ APPROVED ☐ DISAPPROVED ☐ NO ACTION



Chief Procurement Officer Signature

9/8/14

Date

Please ensure adherence to applicable administrative requirements.